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Sent: 9/24/2012 8:39:51 AM
To: Marcia Mulkey/R3/USEPA/US@EPA
CC: Denise Harris/R3/USEPA/US@EPA
Subject: Fw: A summary of Krancer speech as "Surrogate for Romney"

Thanks, Marcia. I touched base with Denise, and she and I will get you something for your 3 pm call.

----- Forwarded by William Smith/R3/USEPA/US on 09/24/2012 08:38 AM -----

From: Marcia Mulkey/R3/USEPA/US
To: William Smith/R3/USEPA/US@EPA
Date: 09/24/2012 08:36 AM
Subject: A summary of Krancer speech as "Surrogate for Romney"

News Headline: CAMPAIGN 2012: Pa. GOP's shale boosters come out swinging against Obama | 



Outlet Full Name: EnergyWire

News Text: PHILADELPHIA -- With election season in full bloom, Republican politicians in Pennsylvania are taking aim at U.S. EPA and the Obama administration's handling of the natural gas boom in the Northeast.

In comments made at a natural gas industry conference here yesterday, Pennsylvania Gov. Tom Corbett (R) trumpeted the economic benefits of the Marcellus Shale gas formation that stretches across the state.

He also accused Pennsylvania residents who criticize the rapid expansion of the industrial drilling process as "unreasonable," just as local opposition groups gathered outside of the city's convention center with placards asserting public health had taken a back seat to energy industry profits in Pennsylvania.

Inside, surrogates for the campaigns of Republican presidential candidate Mitt Romney and President Obama fought over the federal government's role in regulating oil and gas drilling.

In Pennsylvania and Ohio, gas drilling is embedded in broader debates about economic growth in Rust Belt areas that have long struggled to replace dying industries and lost jobs. To some towns around Pittsburgh and Youngstown, Ohio, access to cheap natural gas and liquid byproducts in the Marcellus and nearby Utica basins is expected to attract plastics and chemicals makers.

But the rapid expansion of gas production in the state remains a lightning rod for ideological differences about environmental regulation.

Corbett's environmental secretary, Michael Krancer, speaking for Romney's campaign, accused EPA of heavy-handedness and the administration of not doing enough to cut through regulatory barriers to domestic gas production.

Speaking for the Obama campaign, Kathleen McGinty, a former top environmental regulator in Pennsylvania, said the continued development of gas under private land is part of the White House's economic agenda. She and other Democrats talking about energy are trying to beat back Romney campaign assertions that Obama is fundamentally opposed to fossil fuels.

Economic benefits aside, McGinty defended EPA's ongoing study into how the process of cracking gas formations a mile underground could affect freshwater basins, as Krancer put EPA front and center.

"Nobody called EPA into Dimock," Krancer said, referring to EPA's investigation of water wells near gas drilling operations Dimock, Pa. "EPA called EPA into Dimock," he said. "To do what?"

Two years ago, Dimock took center stage for drilling opponents after homeowners in the northeastern Pennsylvania town accused Cabot Oil & Gas Corp. of poisoning water wells. Last month, the Pennsylvania Department of Environmental Protection (DEP) gave Cabot the green light to continue gas production in Dimock after a nearly two-year moratorium imposed by the agency (EnergyWire, Aug. 22).

This summer, EPA found that the water wells had not been tainted by chemicals used in the hydraulic fracturing process of extracting gas. But state officials said methane had found its way from poorly constructed gas wells to water wells (EnergyWire, July 26).

To GOP critics of Obama's environmental policies, EPA's role came to represent an insidious form of federal intervention, despite the agency's finding that widespread contamination had not occurred.

"There's fearmongering going on, and it's coming out of Washington," Krancer told attendees of the conference sponsored by the Marcellus Shale Coalition, which represents most of the state's gas field operators.

McGinty, who was a member of Energy Secretary Steven Chu's advisory panel on shale gas, rejected characterizations suggesting EPA water studies are aimed at sidelining the industry. Rather, she asserted, the administration supports "policies that enable the investments to be made" in domestic energy development.

In an interview with EnergyWire, Krancer pointed to a stage outside the convention center's wall of windows. There, high-profile activists including "Gasland" filmmaker Josh Fox and Bill McKibben, a writer and founder of global warming advocacy group 350.org, had helped lead a rally to drum up support for local and statewide drilling bans.

"Some of the ideological, emotional reaction to this will go away when people see the sky isn't falling," Krancer said.

Placards and speeches spoke about cancer and money. "What we're talking about today is big business, the 1 percent of the 1 percent," Fox said during a press conference across from the convention center. Contentious state drilling law looms large

Hanging over the debate in Pennsylvania is the state's revised oil and gas law known as Act 13. The law includes a highly contentious provision that strips local governments of the broad discretion to zone land in a way that restricts drilling.

The Pennsylvania Supreme Court is expected to hold a hearing in October after the lower Pennsylvania Commonwealth Court struck down those Act 13 provisions in July, along with another measure in the law that would allow the state to waive certain environmental safeguards for drillers (EnergyWire, July 27).

Municipalities and local grass-roots organizations say those provisions are the product of a Republican-led Legislature and governor's mansion. But yesterday some also blamed one of the nation's largest environmental organizations, the New York-based Environmental Defense Fund.

Increasingly, EDF has come under fire from local organizations calling for bans. They accuse EDF of being too industry-friendly during tough negotiations in state capitals and in Washington about regulations and working too closely with industry to hatch compromises that do not have broader support from within the environmental community.

For its part, EDF in recent weeks has defended its position through press releases and opinion columns. Natural gas is cleaner than coal, EDF officials have said, and it is more useful to help develop regulatory solutions to air- and water-quality issues tied to horizontal drilling and hydraulic fracturing than to advocate for sweeping bans.

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